

According to a recent Oxera study sponsored by The Depository Trust and Clearing Corporation (DTCC), close to one million corporate actions take place worldwide each year*. The study says, "A single event may involve hundreds of different market participants," including fund managers, broker-dealers, depositories and global custodians, and "ultimately cascading down to thousands of investors. Each of these participants faces high risk because corporate action processing is complicated, deadline driven, not standardized and to a large extent still manual."

In response to this environment JPMorgan Investor Services is offering clients a number of products, services and efficiency improvements to help eliminate some of the difficulty and risk associated with processing corporate actions.

tools

tools for efficiency: there's no time like the present

Corporate Action Instructions Online

Processing corporate actions accurately and promptly has historically been an industry challenge due to the manual processes involved. For custody clients seeking to manage their portfolios more efficiently and effectively, JPMorgan's Corporate Action Instructions Online provides a user-friendly, Internet-based way to respond to corporate action

information online. Corporate Action Instructions Online — accessible via JPMorgan ACCESSSM — helps clients reduce risk and improve operational efficiency by replacing phone- and fax-based systems.

This innovative corporate action tracking tool features:

- Delivery of corporate action notifications

- Internet access using single sign on and state-of-the-art security safeguards
- Easy inquiry via its "fast search" function
- Ability to overwrite/amend pre-populated instruction data
- Ability to bulk instruct/respond
- Robust online instruction audit trails
- Red/amber/green deadline management

Online Corporate Event Prospectus Information

Prospectuses — which can run upwards of 100 pages and take three to four days to arrive by mail — contain vital information to help clients make important decisions regarding a corporate action event such as a tender or rights offering. Perusing the long and difficult to navigate hard copy document can be time consuming.

Later this year JPMorgan Investor Services will be the first global custodian to introduce a new service that eliminates the bulky documents associated with corporate action events and puts that same valuable prospectus information online in an easy to navigate digitized format.

When a corporate action occurs, clients will receive an email with a link that will take them to a digitized online prospectus. Not only can the document be shared with the appropriate parties internally, the digitized format allows users to quickly navigate the prospectus and review areas of interest. Through key word searches, users reduce time and effort, streamlining the corporate actions process.

Automating DTC Responses

In JPMorgan's continuing effort to reduce the risk associated with global investment transactions, Investor Services' United States Securities Operations (USSO) group is working closely with The Depository Trust Company (DTC) to be the first in the marketplace to execute automated client instructions to DTC.

Later this year, instructions from clients who use JPMorgan's Corporate Action Instructions Online product will benefit from their files automatically being sent directly via the corporate actions system to DTC.

"It's a great efficiency improvement that reduces risk on both sides," says Brian Goldman, USSO business manager. "While clients won't likely notice any difference, it certainly improves the accuracy with which we communicate their instructions to DTC." ○○○

* This does not include the 3m plus scheduled fixed-rate payments and scheduled maturities that occur every year.

For more information about these or any of JPMIS products and services, contact your relationship manager or client service officer.